general armistice or treaty of peace whichever is earlier, and shall at the option of the Government include a period of one or two years thereafter.

2. During the period of the emergency the shares held by the State shall not rank for dividend and the State shall not be entitled to participate in the profits of the Company. If any dividend bonus or other profits become payable in respect of the said shares during or relatable to the duration of the emergency, the same shall be realised by the State and paid by the State to Government. Government shall pay to the State a sum of Rs.12,50,000/-.

3. The State shall not exercise its power to nominate Directors as provided in the Articles except to the extent herein provided or to such further extent as may be agreed on Provided always that the State may appoint one Director to the Board.

4. On the expiration of the duration of the emergency this agreement shall come to an end and the State shall be entitled to exercise full rights in respect of the shares held by the State and admissible to the State under the Articles or under the law. Any assets brought into the concern by Government shall remain always the property of Government who will have right to retain or remove them. If the Government of India desire to dispose of them, the Company will be given the option to purchase the same on such terms as may be agreed upon.

5. On the termination of the agreement under the last preceding clause the real value of the said twentyfive thousand shares held by the State as on the date of such termination should be determined. Such value shall be determined on the basis of the

Balance Sheet for the year ending 31st March immediately preceding the termination of this agreement and the book value of the Capital assets excluding the value of the assets retained or removed by Government under the last preceding clause, after providing for usual liabilities. If the real value so determined is less than Rs.25,00,000 Government shall pay to the State the amount of the deficiency.

6. The State shall from time to time and at all times hereafter do or cause to be done or concur in doing all such acts, deeds, matters and things for further better and more perfectly giving effect to this agreement as may be reasonably required.

7. If any question or difference shall arise between the parties hereto or their respective representatives touching these presents or the construction thereof or as to the rights and obligations of any party hereunder or as to any other matter in anywise arising out of or connected with the subject matter of these presents the same shall be referred for arbitration as provided for in the late Foreign and Political Department Resolution No.427-R, dated the 29th October 1920 (Copy attached).

In witness whereof Pradhana Siromani N. Madhava Rau, Dewan of Mysore, on behalf of and with the authority of the Government of His Highness the Maharaja of Mysore and E.M. Jenkins, C.S.I., C.I.E., I.C.S., Secretary to the Government of India in the Department of Supply, on behalf of and with the authority of the Governor-General-in-Council have put their respective signatures to this agreement the day and the year first above written.